



Irish Life Weekly Investment Bulletin

The week that was – WEEK 19 (ending 12/05/2017)

“All that happens means something; nothing you do is ever insignificant.” – Aldous Huxley

Irish consumer sentiment up very slightly in April – The KBC Bank/ESRI consumer sentiment index shows a reading of 102.0, compared to March figure of 101.9 and the April 2016 reading of 102.7. According to the ESRI, the index appears to be consolidating after recovering from a notably weaker performance in H2 2016.

Irish residential property prices up 9.6% – The Central Statistics Office reported that residential property prices have increased by 9.6% in the year to March compared to a rise of 5.5% in the year to March 2016. Property prices outside Dublin were 11.8% higher in the year to March whereas the Dublin rise was 8.2%.

Global stock market up 0.4% on the week – The MSCI AC World TR Index showed a 0.38% return from 5th May to 12th May as global equities responded early in the week to the market-friendly result in the French Presidential Election but Donald Trump's sacking of his FBI Chief, James Comey, slowed momentum after.

Volatility hits 23 year low – The CBOE Volatility Index or VIX closed at 9.77 on Monday, its lowest level since late 1993. The VIX, which is based on option contracts on the U.S. S&P 500 index has only finished in single digits on 10 occasions and its historical average is 20. The index finished up the week on Friday at 10.6.

BOE leaves U.K. interest rates unchanged – The Monetary Policy Committee of the Bank of England voted to keep rate unchanged at a historic low of 0.25% as they slightly reduced the 2017 economic growth forecast to 1.9% from an earlier 2.0%. They, however, increased their inflation forecast for this year to 2.8% from 2.4%.

Japan's current account surplus jumps to highest in 9 years – Japan's current account surplus in fiscal 2016 (12 months ended March 31, 2017) was more than ¥20 trillion, or approximately \$180 billion mainly due to higher exports and lower oil prices. The 13% yearly increase meant the highest surplus since 2007.

The Story of the week: Richard Overton, the world's oldest living World War II veteran, turned 111 years old last Thursday. The Austin, Texas resident served in the Pacific from 1942 to 1945. Overton was born on a farm in Bastrop County, just outside Austin, in 1906. He served in the all-black 1887th Engineer Aviation Battalion, according to the U.S. Department of Veterans Affairs. He traveled to Iwo Jima, Guam, Hawaii and Okinawa. He worked as base security, a Jeep driver for a lieutenant and did burial detail. While he saw enemy fire, he returned home without a scratch. These days, he enjoys smoking cigars and drinking whiskey, and in an interview with the Austin-American Statesman, he said he hoped to get whiskey for his birthday - "I like any kind you'll bring me," he said.

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Index Performances and Market Data*

Equity Markets % (in Local Currency)	2012	2013	2014	2015	2016	2017 YTD (to 12/05)
ISEQ Overall Return	20.5	35.8	16.8	33.6	-2.7	8.9
FTSE 100 TR	10.0	18.7	0.7	-1.3	19.1	5.6
Euro Stoxx 50 TR	18.1	21.5	4.0	6.4	3.7	12.0
S&P 500 TR	16.0	32.4	13.7	1.4	12.0	7.6
Nasdaq Composite	15.9	38.3	13.4	5.7	7.5	13.7
Nikkei 225	22.9	56.7	7.1	9.1	0.4	4.0
MSCI Emerging Markets	13.9	0.9	2.6	-8.0	7.1	12.2
MSCI AC World (Gross TR)	16.5	26.2	9.9	1.8	9.7	8.6
Sovereign 10yr Bond Yields (%)	2012	2013	2014	2015	2016	2017 YTD
U.S.	1.7	3.0	2.2	2.2	2.4	2.3
German	1.4	1.9	0.5	0.6	0.2	0.4
UK	1.9	3.0	1.9	1.9	1.2	1.1
Japan	0.7	0.7	0.3	0.2	0.0	0.0
Ireland	4.5	3.4	1.3	1.1	0.7	0.9
Italy	4.6	4.1	2.1	1.6	1.8	2.3
Greece	12.7	8.2	9.6	7.9	7.1	5.7
Portugal	6.9	6.1	2.7	2.5	3.8	3.4
Spain	5.4	4.1	1.6	1.7	1.4	1.6
Central Bank Rates (%)	2012	2013	2014	2015	2016	2017 YTD
ECB	0.75	0.25	0.05	0.05	0.0	0.0
Bank of England	0.5	0.25	0.50	0.50	0.25	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.50	0.75	1.00
Foreign Exchange Rates	2012	2013	2014	2015	2016	2017 YTD
Euro/Dollar (€/\$)	1.31	1.37	1.21	1.09	1.04	1.10
Euro/Sterling (€/£)	0.81	0.83	0.78	0.75	0.84	0.85
Sterling/Dollar (£/\$)	1.61	1.65	1.56	1.46	1.24	1.29
IPD All Property Return (%)	2012	2013	2014	2015	2016	2017
Ireland	3.1	12.7	40.1	25.0	12.8	2.0% (to end of Q1)
U.K.	2.7	10.7	17.8	13.1	3.6	2.3% (to end of Q1)
U.S.	5.3	11.4	11.2	12.1	7.8	N/A

*Past performance is not a reliable guide to future performance